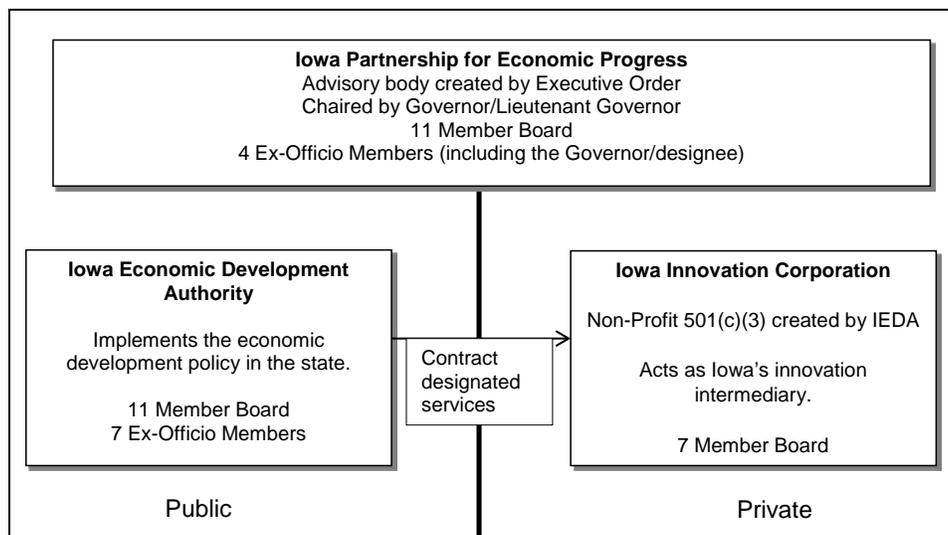


Iowa Partnership for Economic Progress

History and Purpose

[House File 590](#) (The Iowa Partnership for Economic Progress Act) was signed by Governor Branstad on July 18, 2011. The Act replaced the Iowa Department of Economic Development (IDED) with the Iowa Economic Development Authority (IEDA) and required the IEDA to create the Iowa Innovation Corporation (IIC), a private 501(c)(3) organization that will act as Iowa's innovation intermediary. Additionally, Governor Branstad issued [Executive Order Number Seventy-Five](#) on October 24, 2011, that created the Iowa Partnership for Economic Progress (IPEP), an advisory board within state government. The boards are laid out in the following manner:



Iowa Economic Development Authority

Established in Iowa Code section [15.105](#), the IEDA is the public entity of the Partnership and is charged with undertaking the programs that implement the economic development policy of the state and certain finance programs. As the successor agency to the IDIED, the IEDA assumed all duties and responsibilities previously assigned to the IDIED as well as the Office of Energy Independence. In **Attachment A, Chart 1** represents the organizational chart of the former IDIED and **Chart 2** represents the organizational chart of the current IEDA. The IEDA is required to create a Small Business Development Division. At this time, the IEDA is still discussing internally the structural changes necessary to comply with this requirement.

The Economic Development Authority Board is made up of [eleven voting members](#) that met for the first time on October 6, 2011, for an orientation, chair election, and committee appointments. The IEDA Board meets monthly. Board members must meet certain residence and professional requirements. Voting members serve staggered four-year terms. The Board also has seven ex-officio members (four legislative members representing each caucus and chamber of the General Assembly, a representative of the Board of Regents, a representative of the Iowa Association of Independent Colleges and Universities, and a representative of the Iowa Association Community College Presidents).

More Information

Iowa Economic Development Authority: www.iowaeconomicdevelopment.com

Iowa General Assembly: <https://www.legis.iowa.gov/index.aspx>

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Iowa Partnership for Economic Progress

The IEDA was created with new powers including the ability to delegate select services to the IIC and to sell conduit bonds. To delegate a service to the IIC, the IEDA and the IIC must execute a contract that is not an essential government function and the IIC must be compensated at fair market value for the service provided under the contract. Additionally, a contract between the IEDA and the IIC must be drafted and executed under the assistance and advice of the Attorney General. Services listed in Iowa Code section 15.106B(2)(d)(1) include: marketing and promotional activities, policy research, economic analysis, expansion of international markets for Iowa-produced or Iowa-based products, consulting services, and services related to statewide commercialization development. The IEDA may also issue private activity bonds to finance the cost of business enterprises and will be payable out of the revenues derived from the business enterprise financed by the bonds. As of December 31, 2011, no bonds have been issued by the IEDA and no services have been delegated to the IIC.

Other changes in HF 590 include renaming the Grow Iowa Values Fund, the Economic Development Fund, and the Iowa Commission on Volunteer Service was transferred from the Governor Office to the IEDA.

Iowa Innovation Corporation (IIC)

The ICC was created by the IEDA Board on October 20, 2011, and filed with the Secretary of State on October 26, 2011. The first meeting of the IIC Board was on December 9, 2011. The IIC is governed by a Board of Directors made up of [seven members](#) appointed by the Governor and two are subject to confirmation by the Senate, for concurrent four-year terms. Subsequent members will be selected in the following manner:

- Two members appointed by the Governor and confirmed by the Senate for staggered four-year terms.
- Five members selected by the majority vote of the Board of Directors, for staggered four-year terms.

The IIC has appointed Jack Harris as the CEO of the corporation. Mr. Harris is the retired Director of Advanced Manufacturing for Rockwell Collins. The IIC's purpose is "receiving and disbursing funds from public or private sources to be used to further the overall development and economic well-being of the State of Iowa and to lessen the burdens of government in connection with the public purpose of economic development in the State of Iowa." The IIC is prohibited from receiving funds from the General Assembly. Funding for the IIC will come from either private donations or federal support.

The IIC's responsibilities include the following:

- Consulting with the [Iowa Innovation Council](#) on the creation of a comprehensive strategic plan to develop and implement public policies that will lead to innovation and entrepreneurship in the targeted industries.
- Acting as an innovation intermediary, and perform functions delegated by the IEDA.
- Soliciting the involvement of the private sector for support and funding for economic development initiatives in Iowa.
- Coordinating economic development efforts of other state and local entities in an effort to achieve policy consistency.

The IIC also plans to develop a seed fund to help companies seeking to expand.

Iowa Partnership for Economic Progress (IPEP)

The IPEP Board was created by Executive Order and met for the first time on January 5, 2012. The Board is made up of [eleven voting members](#) and four ex-officio members (the Governor or designee, the IEDA Board Chair, the IEDA Director, and the head of the IIC). Members are appointed to staggered two-year terms. The IPEP is an advisory board charged with the "study and recommendation of solutions and policy alternatives for issues arising in the area of economic development. The partnership shall focus on job creation, identifying emerging global markets, harnessing competitive economic forces, increasing the income of Iowa families and growing the Iowa economy." The IEDA is required to provide staff support to the IPEP as needed. The Board plans to meet quarterly. The goals of the IPEP board include:

- Holding meetings for the purpose of carrying out its advisory functions.
- Developing a strategic vision for economic development and private-sector job creation in Iowa.
- Reaching other goals and objectives as request by the Governor.

Required Reports and Other Legislative Impacts

House File 590 requires the following reports or reviews:

- The IEDA was required to submit a report to the Governor and General Assembly regarding the extent each of the authority's programs can be used to provide assistance to small businesses and provide recommendations for legislative changes to such programs to better and more intensively focus economic development efforts on such small businesses. The report can be found at: https://www.legis.iowa.gov/DOCS/LSA/Docs_Filed/2012/DFJYD018.PDF.
- The IEDA and the Iowa Finance Authority were required study and submit a report to the Governor and General Assembly analyzing the advantages, disadvantages, and feasibilities of merging the two authorities. The report can be found at: https://www.legis.iowa.gov/DOCS/LSA/Docs_Filed/2012/DFJYD083.PDF.
- The General Assembly must conduct a review of the IEDA beginning on July 1, 2014, and issue a report with findings and recommendations by January 1, 2015.
- Requires the IEDA, in consultation with the Department of Education, the Department of Workforce Development, and the Department of Revenue, to coordinate and review the Industrial New Jobs Training (260E) Program.
- The Director of the IEDA must submit an annual report to the IEDA Board by January 31 of each year.
- The IIC must submit:
 - An annual report to the Governor, General Assembly, and Auditor of the State by January 15 of each year.
 - An annual audit of the corporation to the Auditor of the State, performed by a certified public accountant in accordance with generally accepted accounting principles.

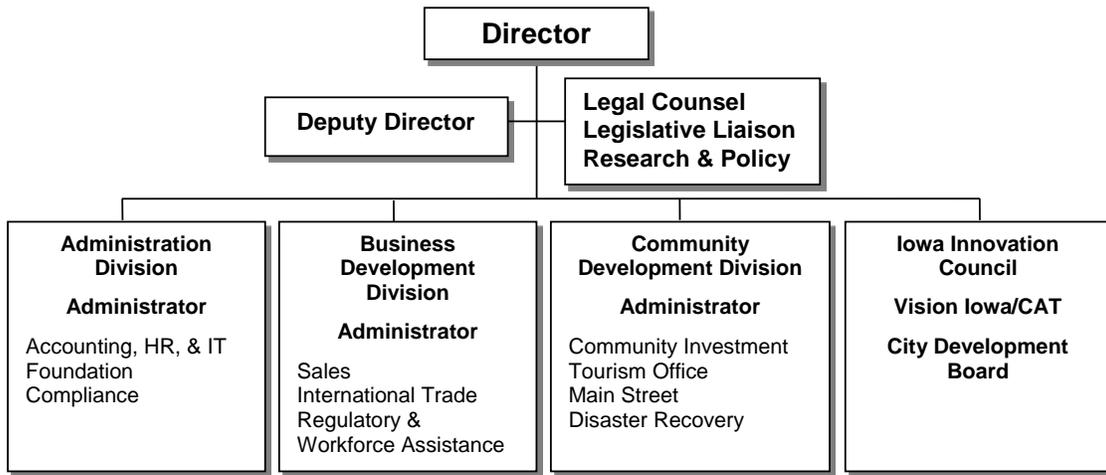
Additionally, [HF 648](#) (Infrastructure Appropriations Act) amended the Economic Development Fund (formerly the Grow Iowa Values Fund) to repeal on June 30, 2012, and required the IEDA to propose to the General Assembly a new business development financial assistance program and any changes in law necessary to implement the repeal of the subchapter by November 30, 2011. The IEDA submitted a [bill request](#) (LSB 5347DP) on November 22, 2011, entitled "Business Development Financial Assistance Program to Replace the Grow Iowa Values Fund."

Attachment A

Organizational Chart Comparison

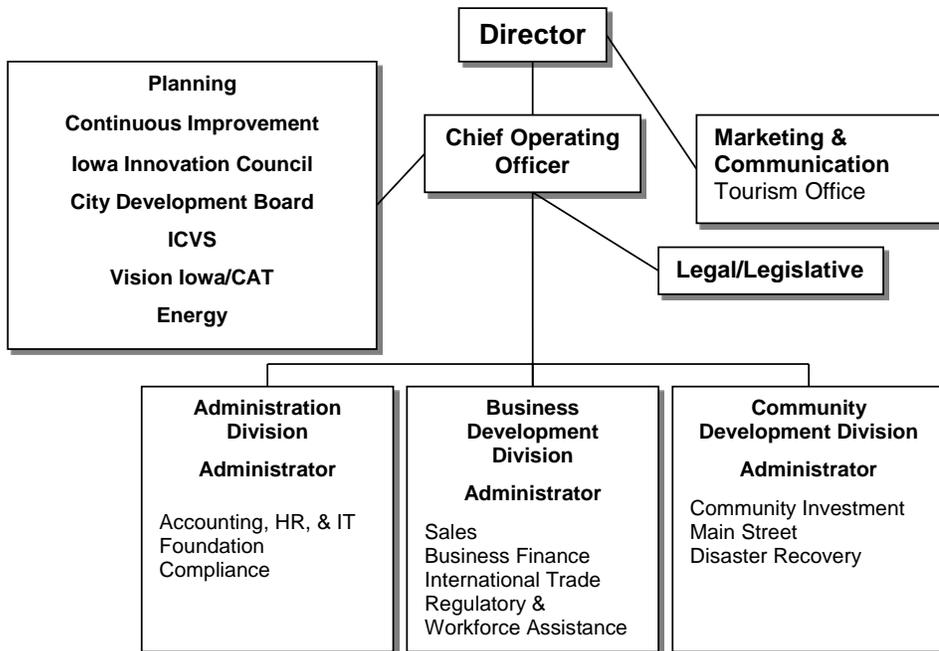
Former Iowa Department of Economic Development

Chart 1



New Iowa Economic Development Authority

Chart 2



CAT = Community Attraction and Tourism
 ICVS = Iowa Commission on Volunteer Service